UNITED
NATIONS

S

Security Council

Distr.
GENERAL

S/1996/1024
10 December 1996

ORIGINAL: ENGLISH

LETTER DATED 9 DECEMBER 1996 FROM THE SECRETARY-GENERAL
ADDRESSED TO THE PRESIDENT OF THE SECURITY COUNCIL

I have the honour to convey the attached communication dated 9 December 1996 from the High Representative, Mr. Carl Bildt, on the implementation of the Peace Agreement on Bosnia and Herzegovina (see annex).

I would appreciate your bringing it to the attention of the members of the Security Council.

(Signed) Boutros BOUTROS-GHALI

96-35893 (E) 111296 121296

/...

Annex

Letter dated 9 December 1996 from the High Representative for implementation of the Peace Agreement on Bosnia and Herzegovina addressed to the Secretary-General

I have the honour to transmit to you my fourth report on my activities as High Representative for implementation of the Peace Agreement on Bosnia and Herzegovina (see appendix). I would appreciate your making this report available to the Security Council.

(Signed) Carl BILDT

Appendix

Report of the High Representative for Implementation of the Peace Agreement on Bosnia and Herzegovina to the Secretary-General

I. INTRODUCTION

1. Pursuant to the Security Council Resolution 1031 of December 15, 1995, which endorsed my appointment as High Representative to "monitor the implementation of the Peace Agreement and mobilize and, as appropriate, give guidance to, and coordinate the activities of, the civilian organizations and agencies involved" in the implementation of the Peace Agreement on Bosnia and Herzegovina, I submit hereby my fourth report envisaged by Annex 10 of the Peace Agreement and the Conclusions of the London Peace Implementation Conference of December 8-9, 1995.

2. This report covers developments in the areas listed below during the period from the end of September to the beginning of December, 1996.

II. INSTITUTIONAL ASPECTS

Office of the High Representative

3. My Headquarters in Sarajevo and the Secretariat in Brussels have in the period described continued to maintain operational coordination of civilian implementation activities inside Bosnia and Herzegovina as well as contacts with the Headquarters of the respective implementation organizations and agencies, closely following, to the extent possible, the various international fora dealing with the Bosnian peace implementation. Specific attention was given to the series of high-level meetings leading up to the London Peace Implementation Conference and outlining the parameters of involvement of the international community in Bosnia and Herzegovina for the rest of the stabilization period.

4. Both the regional office of the High Representative in Banja Luka and the OHR representative in Tuzla continued their respective contributions to the overall effort, providing valuable points of contact to the different official and political institutions in important regions of Bosnia and Herzegovina, both of which have in the period described more than once become epicentres of political activity and tension for reasons outlined below.

5. Initial preparatory work has been done on the planned opening of an OHR regional office in Mostar, which is foreseen to function in close cooperation with the office of the Special Envoy of the European Union, the latter retaining primarily supervision of on-going EU economic assistance programmes. There will be the need to increase the regional office in Banja Luka in view of the transfer of a number of governmental functions of Republika Srpska from Pale. Pending the availability of sufficient resources, I am also contemplating the setting up of a proper regional office in the area of Tuzla and Brcko, thus assuring a better regional coverage throughout the country.

6. The closing of the initial stage of the peace implementation process inevitably coincided with the termination of assignments of a majority of international staff seconded to the OHR by the respective Governments, resulting in substantial personnel turnover. I am grateful to those Governments that have ensured either an extension of terms of duty or planned rotation. I shall be expecting further contributions in personnel and a prompt decision on the OHR budget for 1997.

Peace Implementation Council

7. The Steering Board of the Peace Implementation Council held a Ministerial meeting in Paris on November 14, devoted to defining the guidelines for civilian implementation during the two-year stabilization period.

8. I also convened monthly meetings of the Steering Board at the level of Political Directors of the respective Foreign Ministries, each devoted to specific issues of the peace process. The discussion at the meeting in Sarajevo on October 2 focused on the setting up of common BH institutions, as well as preparations for municipal elections and results of the UN-IPTF Donor Conference held in Dublin on September 28. A further meeting in Brussels on November 7 dealt with the preparations for the Paris Ministerial, while the one in Bonn on November 26-27 was part of the preparations for the London Conference. The Steering Board also met in London on December 3, immediately prior to the Conference itself.

9. The Peace Implementation Conference was held in London on December 4 and 5. It welcomed the substantial progress made in the past year, in particular that peace in Bosnia and Herzegovina had taken root, that elections had been held, that barriers to freedom of movement had begun to be dismantled, that the establishment of new multi-ethnic common institutions had begun, and that reconstruction was underway. It also sent a clear message that, while the international community remained committed to the peace process, responsibility for reconciliation lay with the authorities and citizens of Bosnia and Herzegovina, who had to progressively take charge of their own affairs. The Conference stressed that further international assistance would be conditional on the compliance by the authorities in Bosnia and Herzegovina with all of their obligations under the Peace Agreement. The Conference outlined the objectives for the next stage of the peace process and adopted an Action Plan for 1997,

which includes specific tasks in a number of fields. The final document of the Conference is attached as an Annex to this Report.

10. In accordance with the decision reached by the London Conference, the Peace Implementation Council will continue in 1997 as the overall structure supervising peace implementation in Bosnia and Herzegovina. The Steering Board, meeting on a monthly basis, will continue to provide the High Representative with political guidance. I intend to call the next session of the Steering Board in January, 1997.

11. In addition to the Steering Board sessions other important international meetings in various formats, including that of countries that had witnessed the signing of the Peace Agreement, continued taking place on a frequent basis. OHR was represented by myself or senior members of my staff. These meetings, some attended by delegations of Bosnia and Herzegovina, the Republic of Croatia and the Federal Republic of Yugoslavia, contributed to promoting the political and other aspects of peace implementation. It is my understanding that further meetings of this nature will take place during the stabilization period.

III. COORDINATION OF CIVILIAN IMPLEMENTATION

Overall coordination

12. Regular meetings of the key implementation agencies were held at my office in Brussels on October 8 and November 8 and 28, in order to assess the efforts undertaken by the different international agencies and organizations involved in the implementation of the Peace Agreement and coordinate their planning arrangements for the period beyond 1996. They also provided a useful instrument of coordination between the Steering Board and the above agencies. These meetings will continue, the next one being planned for January, 1997.

13. I have continued extensive consultations with representatives of governments and organizations. On September 25 I met the UN Under-Secretary General in New York and on the next day reported to the members of the Security Council on the progress in the Bosnian peace implementation. I also had several meetings with the OSCE Chairman-in-Office and attended the OSCE Summit Conference in Lisbon on December 2-3.

14. In Sarajevo, I have been convening on a regular basis Principals' Meetings with participation of COMIFOR the Special Representative of the UN Secretary General and the UN IPTF Commissioner, the UNHCR Special Envoy, and the OSCE Head of Mission. These meetings have proven most helpful and effective in coordinating efforts of the key implementation structures on the ground, particularly in facilitating the work of the new joint institutions and in defusing potentially dangerous situations in the Zone of Separation. I expect that this format will be maintained through the stabilization period.

15. Coordination of principles and priorities of international reconstruction assistance is taking place within the Economic Task Force, which meets on a regular basis in Sarajevo.

Operational coordination

16. On the ground in Bosnia and Herzegovina with the creation in the post-election period of common institutions based on the Annex 4 Constitution, the Joint Interim Commission, as well as its subsidiary bodies have effectively ceased to function, their mandates superseded by the newly-established institutions.

17. However, on the regional level my Office has received indications of substantial interest from the relevant municipal authorities and economic factors. With the municipal elections now postponed, my intention is to continue facilitating contacts at local and regional levels, promoting inter-entity cooperation in various fields, including return of refugees and displaced persons, property issues, elections preparations, economic reconstruction. The same approach will be applied to the established Working Groups on specific subjects.

18. The Joint Commissions established under the relevant Annexes of the Peace Agreement continued their work in respective fields.

19. Activities of the Provisional Election Commission (Annex 3), chaired by the OSCE, are referred to in a subsequent section of this report.

20. The Commission on Human Rights (Annex 6), composed of the Human Rights Chamber and the Ombudsperson, continued its work. To date, the Ombudsperson's Office has opened more than 800 provisional files, registered 332 cases, and referred 25 cases to the Human Rights Chamber. At the same time, more than 50 cases have been communicated to the responsible authorities and almost 40 requests for interim measures (under which the relevant Government is asked to refrain from taking certain actions pending review by the Ombudsperson of a case) have been issued. The Human Rights Chamber is now considering cases, and continues to work on its Rules of Procedure.

21. The response of the authorities in Bosnia and Herzegovina to these new institutions, however, remains substantially inadequate. Neither Entity has taken the concrete steps necessary to establish the Commission as an integral part of the legal framework of Bosnia and Herzegovina, by ensuring full cooperation with the Ombudsperson and Human Rights Chamber by authorities at all levels and within all divisions of government, establishing procedures for assisting with human rights investigations and responding to requests or reports from the Ombudsperson or Chamber, and adopting of legislation providing for the implementation and enforcement of their decisions. In addition, the Commission institutions continue to be funded by international donations, despite the requirement under the Peace Agreement that expenses of the Commission are to be borne by Bosnia and Herzegovina.

22. At the same time, the Commission has not yet had a significant impact on the lives of most people, including many victims of human rights violations who remain unaware of either their legal rights or the possible remedies available to them. Human rights implementing organizations have begun to take essential steps to ensure that cases are referred to domestic human rights institutions and to assist in "spreading the word" about their work. At the same time, public information campaigns and human rights training for legal professionals must be made priority tasks for the coming year.

23. The Commission for Real Property Claims of Displaced Persons and Refugees (Annex 7), mandated to restore a fair and just system of property rights in Bosnia and Herzegovina, began in early November to register real property claims in three regional offices in Lukavica, Mostar and Sarajevo. The Commission will establish a further six regional offices early in 1997, each with the capacity to register approximately 1,000 claims per month, and to make decisions concerning those property claims where records are readily available. The Commission faces an enormous operational challenge to register and verify many hundreds of thousands of individual property claims. The Commission proposes to establish joint programmes with host governments to register claims from refugees living abroad, and wherever possible it will work with other agencies to facilitate housing reconstruction programmes. The Commission has continued to meet regularly to develop the principles for the exercise of its mandate.

24. The Commission to Preserve National Monuments (Annex 8), coordinated by UNESCO, established its Working Secretariat in Sarajevo as well as a back-up Secretariat in Paris. Both are currently financed by UNESCO; proper funding through the Entities' budgets has yet to be set up. On expert level research continued aimed at producing a comprehensive list of national monuments throughout the territory of Bosnia and Herzegovina. However, the third session of the Commission, planned for mid-October, has been postponed.

25. The Commission on Public Corporations (Annex 9), chaired by the European Bank for Reconstruction and Development, continued regular sessions and meetings of working groups on electricity and railways.

Setting up of common BH institutions

26. The Constitution of Bosnia and Herzegovina, which constitutes Annex 4 of the Peace Agreement, provides for six common institutions, namely the Presidency, the Council of Ministers, the Parliamentary Assembly, the Constitutional Court, the Central Bank, and the Standing Committee on Military Matters.

27. The Presidency, comprising directly elected representatives of the three constituent peoples of Bosnia and Herzegovina, met for its first preliminary

session organized by my Office on September 30. It took, however, additional three weeks to get the Presidency in a working mode. Since October 22 and until December 1 there have been nine regular sessions of the Presidency, one extended to cover two days, in the course of which the Provisional Rules of Procedure of the Presidency were adopted, a decision on the structure of the Council of Ministers was taken and a number of other issues within the competency of the Presidency discussed. The Presidency, *inter alia,* heard reports by the caretaker Minister of Foreign Affairs and the Working Group on Foreign Policy Issues, where all the Presidency Members are represented, on preparations for BH participation in the various international fora. My Office facilitated the setting up and proper functioning of this and other Working Groups created by the Presidency.

28. On November 30, agreement was reached on the structure and composition of the Council of Ministers, with the nomination of ministers and deputy ministers to be approved of by the House of Representatives of the Parliamentary Assembly expected shortly. The Council will consist of two Co-Chairs, one Vice-Chair, one Minister for Foreign Affairs with two Deputy Ministers, one Minister for Foreign Trade with two Deputy Ministers and one Minister for Civil Affairs and Communications with two Deputy Ministers.

29. The House of Representatives, directly elected at the September 14 elections, had an inauguration ceremony on October 5. However, the failure of the majority of Deputies from Republika Srpska to participate, prevented the House from electing its own bodies and starting functioning in a normal way. The House of Peoples, selected through indirect procedures by the Assemblies of the two Entities, has not yet been constituted. It is planned to have sessions of both Houses in the immediate future.

30. The international members of the Constitutional Court have been appointed by the President of the European Court of Human Rights, as envisaged by the BH Constitution. The judges representing the Federation and Republika Srpska have yet to be nominated by the respective Governments and appointed by the Entities' Assemblies.

31. The full Board of Governors of the Central Bank has now been appointed, and is expected to have its first meeting in the nearest future.

32. The need for a speedy establishment of the Standing Committee on Military Matters has been brought to the attention of the Presidency. It was decided at the London Peace Implementation Conference that the High Representative and the SFOR Commander would participate in its work, for the duration of their terms of office, as observers. Legal aspects, including the correlation between the Presidency's constitutional powers as the civilian command authority over armed forces and provisions contained in the Defence Laws of both Entities, will have to be addressed.

33. On December 7 I informed the members of the Presidency as well as the Presidents of the Federation and the Republika Srpska that the OHR would now be publishing the official version of the Constitution of Bosnia and Herzegovina. This will involve the correction of a typographical error. The error is to be found in Article V (2) (c), which refers to the list of competencies in Article III (1) (a)-(c). This reference is wrong. The intended agreed reference to Article V (3) (a)-(c) was transcribed as a reference to Article III (1) (a)-(e). A review together with representatives of the US State Department of the negotiating records revealed that the reference to Article III (1) (a)-(e) in this place had been made inadvertently in the course of reorganizing the text of the Constitution in Dayton. It is expected that all future published version of the Constitution will correct this typographical error.

Elections

34. In my previous report, I emphasized the importance of municipal elections for Bosnian society and the need for substantial resources from the international community to ensure the effective organization and conduct of these elections. In the period under review, there was a significant increase in the appreciation of the complexities and sensitivity of these elections, which had been undertaken by the OSCE in February, confirmed in June and then postponed on August 27.

35. On October 2, the Steering Board, assisted by the OSCE, indicated its willingness to support a decision by the Provisional Election Commission on municipal elections in November on conditions that: a) higher standards would be met for the municipal elections than for those held in September; b) there would be international supervisors at all polling stations, throughout the chain of ballots and counting; and c) the OSCE would have the structures for possible re-runs of elections as well as for the installation of the elected officials. The Permanent Council of the OSCE considered the timing of and conditions for the holding of the municipal elections at its meeting on October 3, particularly the disposition of the OSCE Mission to hold these elections in late November. In the Chairman's Conclusions it was stated that that the installation of elected officials went beyond the OSCE's means and current mandate and that the Chairman-in-Office considered that there would be serious shortcomings should municipal elections be held in November, 1996.

36. As the Conclusions of this meeting demonstrated that the conditions set by the Steering Board could not be fully met for early elections, my designee did not agree with the decision by the Chairman of the Provisional Election Commission, at its meeting on October 4, to proceed with the holding of these elections in November. The Provisional Election Commission eventually decided, on October 22, to abandon the attempt to hold municipal elections on the dates agreed the previous month.

37. On November 30, it was announced that Bosnia and Herzegovina, Republika Srpska and the Federation had all signed an agreement by which the OSCE was requested to extend its mission, and also that of the Provisional Election Commission, on the basis of the provisions defined in Annex 3, until the end of 1997

so as to supervise the preparation and conduct of elections for the municipal governing authorities. This agreement was accompanied by a separate Memorandum of Understanding between the President of the Republika Srpska and the OSCE which set out certain understandings with regard to the holding of the municipal elections.

38. The Declaration adopted by the OSCE Summit in Lisbon on December 3 confirmed that the OSCE would supervise the preparation and conduct of the municipal elections and welcomed the agreement of the Parties to Annex 3 in this regard.

39. The Action Plan for 1997, commissioned by the meeting of the Ministerial Steering Board and of the Presidency of Bosnia and Herzegovina in Paris on November 14, and adopted by the London Peace Implementation Conference on December 5, welcomed the agreement of the authorities of Bosnia and Herzegovina to OSCE supervision of the municipal elections, the extension of the mandate of the PEC, their agreement on the holding of these elections by the summer of 1997, and invited the OSCE to begin work immediately so that the necessary preparations could begin in good time. The Action Plan highlighted the need for the OSCE, its Head of Mission and the High Representative to continue to co-ordinate closely and to work with SFOR, UN IPTF, UNHCR and other agencies on the planning and implementation of the post-elections period, and on the mechanisms for any necessary election re-runs and the installation of the elected officials. Moreover, the Action Plan requested the Steering Board and the OSCE to meet quickly, with the appropriate agencies, to agree how best to take work forward in these areas.

Federation issues

40. My Office continues to attribute high importance to a functioning Federation as one of the cornerstones for the successful implementation of the General Framework Agreement. Being one of the two constituent Entities of Bosnia and Herzegovina, the Federation needs fully functioning and stable structures. OHR, in conjunction with Governments of several countries, has continued to assist the Federation in making its political, economic and social structures operational.

41. Since my last report, progress has been achieved in a number of fields. The Federation Supreme Court has been constituted. During October, all Cantonal Assemblies constituted themselves and delegated their members to the Federation House of Peoples. On October 25, agreement was reached between the Federation partners concerning the future organization of Sarajevo. This opened the way for the constituent session of both Houses of the Federation Assembly on 6 November, where the members of the House of Peoples of Bosnia and Herzegovina from the Federation were delegated and a Federation Flag and Coat of Arms adopted. There is progress in the field of police, where, with the help of UN-IPTF and OHR, a model Cantonal police law was elaborated and further groundwork laid for the transformation of existing police forces in the Federation in accordance with the Constitution.

42. Much remains to be done, though. The structural problems that impede full implementation of the Federation which were described in my last report continue to persist. At the time this report was written, the Federation President, the Vice President, the Prime Minister and the Federation Government have not yet been nominated. A Federation Government and Cantonal Governments need to be established and be given the administrative and financial means to operate effectively. The transformation of present police structures must be finalized. The agreement on the future organization of Sarajevo has to be fully implemented. The Federation Assembly has to adopt those fundamental laws that are necessary to set the basic framework for the political and economic system of the Federation. Efforts to guarantee freedom of movement and the right of refugees and displaced persons to return to their homes throughout the Federation have to be intensified.

43. My Office will continue to assist the Federation partners in their efforts to realize these tasks, in order to create efficient and truly self-sustaining Federation structures.

Brcko arbitration

44. On December 8, the Presiding Arbitrator, Mr. Roberts Owen issued an order extending the time limit for completion of the arbitral proceedings to and including February 15, 1997. This had been preceded by discussions with both the Federation and the Republika Srpska, although the state of Republika Srpska participation in the arbitration process has been unclear throughout the period.

45. Participation in the arbitration process is a part of the Peace Agreement, as is the undertaking to fully respect and implement its results. It is of importance that this is clear to all of the parties as we are beginning to come close to a solution of this complex issue.

46. The arbitration itself refers, according to the Peace Agreement, to the question of the "the inter-entity boundary line in the Brcko area." There are no restrictions on the way in which the arbitration process can change the IEBL in this area. I would suppose that there might also be the need for agreement on other arrangements in order to seek a permanent and acceptable solution to this problem within the new time-frame now given.

Media

47. My Office has continued to monitor the media from both entities, both independently and in the framework of the OSCE Media Experts Commission. The performance of Republika Srpska TV and the news agency, SRNA, continues to be grossly inadequate, sometimes recalling the worst cases of

authoritarianism. They are, however, occasionally open to alternative opinion, and gave me the time for a long live interview, professionally conducted, in October. The media scene in areas under the control of the HVO remains bleak. It is somewhat better in the areas controlled by the BH Army, though far from satisfactory.

48. The encouragement and consolidation of independent media outlets across Bosnia remains a high priority if democratic values are to be entrenched. My Office has devoted most of its efforts in this regard to the Open Broadcast Network (OBN) which carries the programming of TV-IN, an independent TV station. The OBN is the only cross-entity broadcaster, and TV-INFO, its half-hour news bulletin, is increasingly respected as an objective report on events within and beyond Bosnia. The other programming is being built up by a Bosnian management team with the assistance of an international Project Assistance Team.

49. OHR is increasingly asked to help in coordinating other independent media projects, and is currently exploring with other organizations the need for an independent printing house in Banja Luka.

Return of refugees and displaced persons

50. More than one million refugees continue to live outside of the country and close to one million displaced persons are forced to live away from their homes on the territory of Bosnia and Herzegovina. The lack of political will on the part of the Parties has been the most serious obstacle to their return. Despite statements by the political leaders in Bosnia-Herzegovina about the importance of implementing Annex 7 of the General Framework Agreement, negative political linkages and reciprocity demands, coupled with insufficient efforts to ensure the political, economic and social conditions necessary for voluntary and safe return, are still the norm.

51. The decision not to return is all too often conditioned by the lack of effective options. Possibilities for people to return to their homes of origin are limited not only by concerns about the security environment, but also by the lack of available housing, employment and social services, as well as the level of infrastructure and communications. Recent estimates give figures for returnees of around 250,000, overwhelmingly to areas of own ethnic domination. Organized repatriation has made up for only a minor proportion of return movements which are generally individual, voluntary and spontaneous.

52. The implementation of a Procedure for return and reconstruction in the Zone of Separation in cooperation with UNHCR, IFOR and UN-IPTF allows for returns that are limited in number, but have great political importance for the effective realization of the right to return and the right to property, as well as for turning this sensitive zone into an area of normality and stability.

53. Until solved, perpetuated displacement will remain a problem and a destabilizing factor in Bosnia and Herzegovina and the broader region. The desire of people to return will remain a strong force in determining the future of the country, and the role of refugee associations, especially joint efforts such as the Coalition for Return comprising representatives of Bosnian Croat, Serb and Bosniak displaced persons and refugees, will grow in significance.

54. UNHCR, as the operational lead agency for the implementation of Annex 7 of the Peace Agreement, has in 1996 concentrated its efforts on targeted housing reconstruction and on confidence-building measures, and is in the process of developing a two-year regional plan to seek durable solutions to the problems of displaced persons and refugees. My office will participate in the development of this plan, and will work to ensure political support for it both from the Parties and from the international community as a whole. Making significant inroads in 1997-98 is a necessity, especially in the area of so-called "minority returns," and only a comprehensive and regional approach will make it possible to overcome the obstacles and to respond to the desire on the part of the displaced population to return.

55. On December 16, a Humanitarian Issues Working Group (HIWG), chaired by the UN High Commissioner on Refugees, will meet in Geneva to discuss specific plans for the coming year.

Missing persons. Mass graves

56. The international community has continued to work with national authorities to determine the fate of the missing. The ICRC has received almost 16,000 tracing requests from the families of the missing. Although clarification of the status of missing family members has progressed slowly, by November 25 the ICRC has clarified 973 of the 16,000 tracing requests. The Working Group on Missing Persons, chaired by the ICRC, has made it possible for representatives of family associations to have direct contact with the responsible authorities and relevant members of the international community. The Working Group has provided the families with a valuable forum in which to hear and be heard on this issue.

57. Progress on the exhumation of mass graves also proceeded slowly. As a result of an agreement reached on September 4, the Parties undertook to exhume jointly several sites on a priority basis. Three of those sites have been completed. This is a not inconsiderable accomplishment. Unfortunately, however, political difficulties and severely constrained resources resulted in the incomplete collection of mortal remains on the surface of the ground at the two other sites which had been given the highest priority by the Parties.

58. Planning is now underway in the Expert Group on Exhumations and Missing Persons, chaired by my Office, to better coordinate and focus the efforts of the international community to assist the Parties with the exhumation of mass graves

and identification of mortal remains when it is possible to resume exhumations next year. Collection of information for the antemortem data base being created by Physicians for Human Rights and the Association for the Promotion of the Ludwig Boltzman Institute has progressed very well. More than 2200 family members of the missing have provided information for inclusion in the data base. Thanks to the efforts of the UN Expert on Missing Persons, several governments provided assistance to the Parties for the exhumation and identification of missing persons. Physicians for Human Rights has also provided my Office with a forensic anthropologist who will coordinate participation by international forensic experts in exhumations undertaken by the Parties and establish a training program for forensic anthropology.

59. Unresolved issues relating to the missing are a serious impediment to reconciliation. The resources and attention allocated to these issues must be greatly increased if these are not to remain festering wounds.

Human Rights

60. The Peace Agreement requires the authorities to secure to all persons within their jurisdiction the highest level of internationally recognized human rights. One year later, this obligation remains substantially unmet. While the cessation of hostilities resulted in a dramatic improvement in the human rights situation in Bosnia and Herzegovina, the promise of that initial leap forward has not fulfilled through sustained progress towards respect for human rights during 1996. A precarious human rights situation characterized by frequent arbitrary arrests, widespread abuse of ethnic minorities and obstruction of the right to return, continues to reign. Even more disturbing, the frequent human rights violations directed at opposition parties and political figures which occurred in the run up to the elections have not abated. In the past several months, the pattern of abuse by police noted in my last report has also continued, despite efforts by UN IPTF to monitor and check the violence.

61. Harassment of ethnic minorities, including forced evictions and intimidation, continues, and the responsible authorities have failed to act decisively to address this problem in both entities. The destruction of hundreds of minority-owned homes, both in the ZOS and in both entities, which began in late October and has continued, presents not only a grave challenge to right to return, but also a threat to remaining minority residents. Widespread discrimination against ethnic minorities in the fields of employment, education, and access to government services is widespread, also contributes to the trend toward ethnic separation.

62. My last report noted two cases in which police officers have been implicated in brutal murders, one involving apparent torture in which a police vehicle was seen leaving the scene where the body was found and the other a death by beating of a man in police custody. Although more than four months have passed, the perpetrators of these crimes have not been prosecuted, and the police

officers implicated in these deaths remain in their jobs. These most egregious cases were joined in the past months by numerous reports of beatings in detention, abuse which is common in both entities.

63. At the same time, the responsible authorities have failed to take certain concrete steps which are fundamental to the peace process, including bringing existing legislation into conformity with the Peace Agreement. In addition to the need for legislation to support domestic human rights institutions, as mentioned above, laws relating to abandoned property which the authorities have conceded do not comply with the Peace Agreement continue to be enforced in both entities. Ongoing work to draft and implement new property laws should be expedited, and enforcement of existing non-complying laws must be suspended. The substantial delay of authorities of both entities in taking these steps has contributed to ethnic division. In addition, the fundamental flaw in the Republika Srpska's amnesty law – exclusion of persons who deserted or avoided military conscription – must be corrected.

64. The human rights situation in Sarajevo continued to be in the focus of attention of my Office and other international agencies, who are working together to improve conditions for an multi-ethnic capital. We have helped to organize local community councils, especially in areas where tense relations have been reported between Bosniak DPs and remaining Serbs. UNHCR has launched a project to renovate apartments, ensuring, in collaboration with city authorities, that pre-war residents, whether living in Sarajevo, the RS, or abroad, get priority access. In late October, Presidents Izetbegovic and Zubak signed a Protocol on the organization of Sarajevo city and canton, which would ensure a significant role for minorities in the administration. My Office is now working on the effective implementation of this protocol.

65. While monitoring implementation of the human rights provisions of the Peace Agreement, including the right to return, and addressing non-compliance will remain essential during 1997, the role of human rights community in 1997 needs to be more proactive and far-reaching, focusing on longer-term objectives. Priorities for the coming year should include: (1) human rights institution building, involving both strengthening of human rights institutions and support for NGOs; (2) development of a human rights culture through public information, education and other democratization initiatives; and (3) strengthening the rule of law through projects including incorporation of human rights standards into law and reform of legal, administrative and law enforcement institutions. Given the multiplicity of organizations which will continue to be active in the human rights field in 1997, improved integration of human rights activities is essential to ensuring that these objectives are met. To that end, existing structures for coordination of human rights efforts should be modified to better meet and identify priorities for 1997 and to ensure more active participation and direction by key organizations, including international and local NGOs.

Detention Issues and Cooperation with ICTY

66. In the past months, the focus on detention issues has moved from prisoners detained during the war to persons detained following the Peace Agreement. With regard to the first category, the prisoner release requirement imposed by the Peace Agreement was technically fulfilled last spring with the release of all remaining ICRC-registered prisoners, excepting cases submitted to the Hague for review. At the same time, the possibility that an unknown number of persons continue to held in "hidden" detention looms large – regardless of the actual number of such detainees – for two reasons: a) any authority holding prisoners detained during the conflict is committing a substantial breach of its obligations under Annex 1A; and b) the speculation that large number of persons remain in hidden detention undermines resolution of missing persons questions and the peace process more generally. UN IPTF, with the support of the OHR and IFOR, stands ready to provide a credible response to substantive allegations of hidden detention. The authorities must provide concrete proof to support their claims that hidden detainees are not held by ensuring immediate access without prior notice by UN IPTF to any known or suspected place of detention, including military facilities.

67. With regard to persons detained following the peace agreement, substantial human rights violations continue. The failure of the authorities to implement the "Rules of the Road" agreed in Rome on February 18 constitutes a substantial impediment to freedom of movement and fosters arbitrary arrest, often for purposes of "exchange." Under the rules of the road, the authorities agreed that war crimes arrests would be made only pursuant to an indictment by the Tribunal or after an order, warrant or indictment issued by the national authorities has been reviewed by ICTY and found consistent with international legal standards. While both Entities have detained war crimes suspects in violation of this commitment, only the Republika Srpska authorities have so far refused to agree to specific procedures for implementation of the rules of the road. The check provided by Tribunal review of war crimes cases is an essential confidence-building step that will both deter arbitrary arrest and contribute to establishment of the rule of law in Bosnia and Herzegovina. It is essential that both Entities implement the "Rules of the Road" immediately. At the same time, ICTY must be provided with resources necessary to review the cases submitted under this process.

68. The failure by the responsible authorities, particularly of the Republika Srpska, to cooperate with ICTY, has continued unabated. The authorities of Republika Srpska have refused to arrest persons indicted by the Tribunal, relying on a provision of their legislation which is clearly superseded by the Constitution of Bosnia and Herzegovina and other Annexes of the Peace Agreement. At the same time, with disregard for their legal obligations, Bosnian Croat authorities have failed to arrest the numerous indicted persons who reside in or visit areas of the Federation previously under the control of the HVO.

69. The responsible authorities must take immediate steps to implement their legal obligation to cooperate with the International Criminal Tribunal for the former Yugoslavia, including execution of arrest warrants for persons indicted by the Tribunal, submission of all cases involving suspected war crimes to the Tribunal for review prior to arrest or prosecution by national courts, and provision of information to assist in Tribunal investigations. Legislation implementing Bosnia and Herzegovina's responsibilities to cooperate with the Tribunal, including through extradition of indicted persons, should be adopted.

70. The Peace Implementation Council at its London Conference charged the Steering Board to consider what further measures can be taken to facilitate the delivery of indictees to the Tribunal for trial. Based on this, it is my intention to initiate a discussion in the Steering Board on these matters at an early date if there is not sufficient progress by other means.

Economic reconstruction

71. Economic revival and sustainable growth remain major preconditions for peace and economic stability. The first results of peace and reconstruction, and return to normal life are emerging. However, much still remains to be done, and major challenges such as facilitating the return of refugees, have to be met in the very near future. I have continued my coordination efforts with major implementation agencies and international financing institutions, namely the World Bank, the European Commission, the European Bank for Reconstruction and Development, the International Monetary Fund and the International Management Group. I have held regular meetings on weekly basis with these agencies - the Economic Task Force - in Sarajevo to discuss and coordinate economic reconstruction plans and establish priorities.

72. Twelve sector task forces have been established jointly by the European Commission and the World Bank to coordinate the donor efforts in respective fields. The latest newcomer is the Task Force on Macroeconomic Issues chaired jointly by the IMF and the World Bank. The task forces bring together the most important donors as well as the representatives of the beneficiaries to discuss project implementation, to identify financing gaps and to address sectoral development issues. Following the need to increase the efficiency of the sector task forces, more detailed terms of reference and reporting requirements have been set to them. In practice this has implied addressing issues concerning sector policy development and increased project implementation monitoring. They cooperate also closely with the Economic Task Force set up by my Office, and report to me.

73. Due to delays in appointing the BH Council of Ministers and Entity Governments no significant credit or grant agreements on reconstruction projects were signed with Bosnian authorities during the last two months. Implementation of on-going projects continued, and the disbursement rate reached over USD 100 million per month during the autumn. Relevant project

implementation structures are up and running in the Federation of Bosnia and Herzegovina consisting of Bosnian representatives and foreign experts. The setting up of similar structures has been somewhat slower in Republika Srpska even though four subsidiary loan agreements with the World Bank have already been signed.

74. According to the latest statistics, firm donor commitments for 1996 add up to USD 1,556 million omitting peace implementation activities. The total amount under different stages of implementation is USD 1,176 million, out which USD 720 million have been disbursed. The Federation territory has received 84 % of the total assistance efforts under implementation while 14 % represent activities regarding both state and inter-entity. Only 2 % of the total activities are under implementation in Republika Srpska. Even in the Federation the assistance efforts have so far concentrated on few areas, where only three cantons and Sarajevo have received more than two thirds of the total. In the future this tendency must be reverted and more balanced approach must be obtained concerning both the Federation and Republika Srpska, considering the degree of damage, needs and political conditionality.

75. Within the framework of reforms that facilitate economic recovery and transition of Bosnia and Herzegovina to a market economy, I have stressed certain priority sectors such as infrastructure, employment generation and restart of production. Some positive examples can be mentioned: regular, though limited amount of commercial flights to and from the Sarajevo Airport, completion of two major bridges between Sarajevo and Mostar, and the reconstruction of another eleven bridges is underway; rehabilitation of five principal power plants and four main transmission lines, and picking up of small scale commerce. Altogether the total amount of civil works, goods and services completed or underway is more than 900. There are, however, still persisting financing gaps in all major sectors in spite of my strong recommendations to the donor community. Political constraints on the spot have also regrettably slowed down implementation and the lack of four basic freedoms effectively impedes economic cooperation between the entities. This naturally slows down the overall economic recovery process in the whole country. I have made it very clear that these tendencies must not continue.

76. Preparations for the next stage of recovery have been started. In order to speed up the adoption of a legislative framework conducive to the transition to a market economy, my office has coordinated the drafting of a Quick Start Package (QSP) consisting of major pieces of legislation such as foreign trade and investment laws, customs tariff law and law on the Central Bank. The first QSP will be followed by a second package concentrating mainly on regulatory framework legislation. In general, particular emphasis needs to be placed on developing institutions and policies that will maximize the potential for sustaining reconstruction and economic revival. The success of these efforts prerequisites both responsibility on the part of the Bosnian authorities and close cooperation among the major international implementation agencies.

Mine clearance

77. Progress with physical mine clearance remains slow. However, the Mine Action Task Force is active, training continues and a number of mine clearing projects conducted by local companies, Norwegian Peoples Aid and US Government sponsored teams, are underway. The UN Mine Action Centre continues to recruit staff, develop the data base, plan further training, determine priorities and establish regional centres.

78. I welcome the firm line taken by IFOR during the period which has compelled the Parties to put more effort into meeting their responsibilities under Annex 1A with regard to using their military forces to clear and mark mine fields. Progress in actually clearing mines to the agreed standard has been limited and winter weather will further limit achievement in this area. Continued pressure from the follow-on SFOR is likely to be required if progress is to improve.

79. I further welcome the commitments made at the London Conference by the authorities of Bosnia and Herzegovina and the International Community to the Action Plan for mine clearing in 1997. Meeting and funding these commitments will be vital if the tragic casualties caused by mines are to be reduced, the return of refugees and displaced persons proceed and economic reconstruction not be delayed.

Regional stabilization

80. Implementation of the Agreement on Sub-Regional Arms Control pursuant to Article II and IV of Annex 1B of the Peace Agreement, signed in Florence on June 14, continues.

81. Substantial progress has been made in the Article II Agreement, and I welcome the Parties' undertaking to move rapidly to full implementation. I remain concerned about the ease with which weapons have been produced by the Parties during recent incidents in the Zone of Separation. The Parties must redouble their efforts to ensure that there is no recourse to violence in meeting the terms of the peace agreement.

82. Problems and delays have continued in the Article IV implementation , with baseline validation and inspection difficulties blocking progress. I welcome the parties reconfirming their obligation to cooperate, but the January 1, 1997 deadline is unlikely to be met in every category by all the parties, and we must ensure the resources, and the will, are stronger in 1997.

83. I welcome the appointment by the OSCE Chairman-in-Office of his Special Representative for Article V and urge the earliest possible start to Article V negotiations to achieve regional balance in the former Yugoslavia.

IV. COOPERATION WITH IFOR

84. Close relations with the North Atlantic Treaty Organization and the NATO-led Implementation Force (IFOR) continued to be most constructive at all levels. In theatre, effective coordination of the civilian and military efforts has been maintained. From this point of view the meetings of Principals which I chair have proved an effective vehicle to both share information and take executive decisions. Military support to civilian agencies in this period has been vital to the overall progress.

85. I would like to record my deep gratitude to both Admiral Joseph Lopez, and the long-serving General Michael Walker and their staffs, for their contribution to the peace process in Bosnia and Herzegovina.

86. That said, General William Crouch and his staff have effected a seamless transition from both IFOR and ARRC Headquarters. I am delighted the new staff of the single military Theatre Headquarters have so quickly developed close links with my staff. That, in my view, shall serve as a sound basis for continuation of these links with the follow-on Stabilization Force (SFOR).

V. LOOKING FORWARD

87. The fourth phase of peace implementation during 1996 has been the most demanding so far, with efforts to fully implement the Constitution through the setting up of common institutions proceeding in parallel with the international discussions on structures to assist the peace efforts during the coming consolidation period up until and including the national and Entity-level elections in 1998.

88. Although the pace of setting up of the common institutions has been slower than the Presidency committed itself to, we have seen gradual progress, and it seems safe to assume that all the common institutions will be set up in the near future. Our efforts will then be directed towards assisting in setting up the structures which will facilitate their work with the tasks given them in the Constitution, as well as with the decisions needed on interim legislation in a number of key areas which are indicated in the London conclusions and which are essential in starting to tackle the real problems of the country.

89. Of particular importance is that the common institutions of Bosnia and Herzegovina, as well as those of the Federation and Republika Srpska, begin to take more radical measures in order to solve the economic and social problems of the country. I remain concerned by the low priority so far given to these issues by the political leaders.

90. International reconstruction assistance will be continued during the consolidation period, but it can not be assumed that it will continue on a large scale thereafter. In order to make self-sustaining economic growth possible in the

years ahead, it is thus imperative that radical structural reform measures are undertaken in the near future to create an open and competitive economy able to sustain the reconstruction efforts and meet the social and public needs of the country into the 21st century. The efforts by the International Monetary Fund and the World Bank as concerns structural reform issues, in close collaboration with my office, is of great importance in this regard.

91. Based on an agreement between the Council of Ministers and the IMF, it is my firm hope that we will see measures initiating the necessary structural reforms before the Donor Conference planned to be held in late February 1997. Clear indications by the authorities of Bosnia and Herzegovina - the common institutions as well as those of the Entities - that they are moving forward on the economic reform issues will, in my opinion, increase the possibilities for a good result of the Donor Conference.

92. In my previous reports, I stressed my concerns over the human rights situation in Bosnia and Herzegovina. Although there have been signs of improvement in certain areas, I regret to report that the overall situation remains deeply unsatisfactory throughout the territory of the country.

93. Human rights is the key to most other aspects of political and civilian implementation of the Peace Agreement. It is only when human rights are fully respected that the political life of the country can free itself of the factor of fear now so obvious. It is only when human rights are secure that the refugees and displaced persons will start to return in greater number to their places of origin or choice. It is only when human rights are seen as protected that the freedom of movement, which is so central to the peace implementation, will be exercised by larger and larger number of people.

94. The year which has passed has laid the foundations for the peace implementation process to continue. It would have been naïve to assume that all the aims of the peace agreement could have been reached in one year alone. What we have achieved is a base on which the further efforts during the consolidation period ahead will build. The peace process is not yet self-sustaining, but with a clear commitment by all the authorities of Bosnia and Herzegovina as well as from the international community the consolidation period should be able to result in a peace process which is self-sustaining.

95. 1997 will be a year with significant challenges. In the early part of the year, the Brcko arbitration must find a permanent solution to this complex problem. As we approach the summer, the municipal elections will come into focus with the critical issues relating to the full implementation of their results throughout the country. And all through the year the issues of refugee return as well as the questions relating the cooperation with ICTY must be high up on the agenda.

96. During the first part of the year - until I expect to deliver my next report - the setting up of the common institutions will continue. The London conclusions contain important commitments which must be meet, and which are of

importance if the common institutions will be able to work in such a way as to make them truly accepted and respected throughout the country. The Presidency is committed to take a decision by February 15 on the flag and symbols of Bosnia and Herzegovina, and by the end of March on the diplomatic representation of the country, since this must reflect and represent the Presidency as a whole.

97. There is no denying that the drift towards ethnic separation is continuing in Bosnia one year after the peace agreement was signed. The forces of ethnic separation are still stronger than the forces of ethnic reintegration. But the trend is by no means irreversible. As peace takes hold, and as the economy throughout the country starts to revive, the inter-action between the different parts of the country is bound to increase. If human rights are respected we will then start to see the country coming back together again. It must be a central aim of the international efforts to ensure that this will be the case.

98. In my previous reports I have consistently stressed that our commitment to peace in this part of Europe must be longer in time than just one year and wider in geographic scope than just Bosnia. With guidelines for the consolidation plan now approved, and with the corresponding military decisions taken, the framework for the 1997 and 1998 in Bosnia are now in place.

99. But peace and stability in Bosnia will come under strain if there is aggressive nationalism or political upheaval in the surrounding countries. This could result in forces of separation in Bosnia receiving an impetus, and it could also result in new waves of refugees which could have a negative impact on the situation in the country. The international community must be ready to do whatever can be done in order to facilitate the full respect for human and political rights for each and everyone in Croatia and the Federal Republic of Yugoslavia.

100. The first year of peace implementation was over-all a year of success. But each step forward we have taken has also demonstrated how many more are the steps which must be taken for the peace process to be self-sustaining and stable. The recent international decisions in Paris, London and Brussels have created conditions for making this possible in the years ahead.

Carl Bildt